



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Price Field Office  
125 South 600 West  
Price, UT 84501

<http://www.blm.gov/utah/price/>

DEC 18 2007

*Please file*



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In Reply Refer to:

3809

UTU-69860

(UT-070)

Mr. Paul Baker  
Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
Salt Lake City, Utah 84116

Re: Diamond K bond release

Dear Mr. Baker:

The Price Field Office of the Bureau of Land Management would like to inform you that we concur with your determination to release the portion of the bond for areas B1 and B2. We also concur with the bond amount required to be retained for the remaining surface disturbance as shown in the attached Reclamation Surety Estimate spreadsheet received by the BLM from the Utah Division of Oil, Gas and Mining in an e-mail received on December 10, 2007.

Should you have any questions regarding this decision feel free to contact Nathan Sill at 435-636-3668 or Neil Simmons at 435-636-3639.

Sincerely,

Michael Stiewig  
Associate Field Manager

Attachment  
1-Reclamation Surety Estimate

**RECEIVED**  
**DEC 20 2007**  
**DIV. OF OIL, GAS & MINING**

**ATTACHMENT 1: RECLAMATION SURETY ESTIMATE**

Diamond K Gypsum

last revision

04/04/00

DKG Quarry

filename M015-041.xls

DOGM file Number M/015/041

Emery County

Prepared by Utah State Division of Oil, Gas & Mining

**Note: actual unit costs may vary according to site conditions**

**last unit cost update**

**03/01/05**

**-Amount of disturbed area which will receive reclamation treatments =**

**23.78 acres**

**-Estimated total disturbed area for this mine =**

**23.78 acres**

Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mnts & installation)	1	Sum	250	250	(1)
Ripping stockpile & compacted areas	7.24	acres	286	2071	(2)
Regrading of portions of quarry	7.24	acres	710	5140	(3)
Ripping 1/2 main access road	0.96	acres	286	275	(5)
Regrading all main access road - dozer	1.91	acres	710	1356	(6)
Surface drainage restoration	500	lf	0.25	125	(7)
Culvert removal & drainage restoration - trackhoe	1	sum	1000	1000	(8)
					(9)
Topsail replacement - dozer - 1ft depth - 4.31 cres	11681	CY	0.68	7943	(9)
Drill seeding	7.74	acre	280	2167	
General site cleanup & trash removal	2	acre	75	150	

<b>Revegetation Success</b>				
Ripping prior to seeding	13.52	acre	286	3867 (9)
Drill seeding	13.52	acre	280	3786 (11)
Equipment mobilization	2	equip	2000	4000 (00)
Subtotal				3186 (15)
Reclamation supervision - 10% of reclamation estimate				
Subtotal				35315
10% Contingency				3532
Escalate for 5 years at 4.44% per year				38847
				9425
				48271
Average cost per disturbed acre =				48300
Rounded surety amount in year 2010 \$ 2030				

<b>RECLAMATION SURETY ESTIMATE</b>				
Mine Operator			last revision	03/01/05
mine name			filename M000-000.WB2	page "estimate D8"
DOGGM file number			County	
Prepared by Utah State Division of Oil, Gas & Mining				
<b>Note</b>	<b>last unit cost update</b>	<b>03/01/05</b>		
(1)	DOGGM lump sum assumed			
(2)	Means Heavy Construction Cost Data 2005, 02220-110-0100, mix of bldg. types, avg., excluding dump fees			
(3)	Means 2005, 02225-350-5100, bldg demo, rubbish handling, \$0.64/CY permile for >8CY truck; assumed 100 miles round trip			
(4)	Means 2005, 02225-330-0100, dump charges, typical urban city, tipping fees only, bldg construction mtl			
(5)	Rental Rate Blue Book 2nd quarter 2004, Cat 980G, 7CY \$117.30hr+\$40.05/hr, & Means 2002, Crew B-10U, loading trucks only \$52.65			
(6)	Means 2005 wage for unskilled general labor			
(7)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, mtl 2550 lb/CY, 50 ft push, 1 ft depth			

(8)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, mtl 2550 lb/CY, 100 ft push
(9)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, multi shank rippers, speed 1.0 mph
(9)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, multi shank rippers, speed 1.0 mph
(9)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, multi shank rippers, speed 1.0 mph
(9)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, multi shank rippers, speed 1.0 mph
(10)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, mtl 2550 lb/CY, 50 ft push, used avg vol 0.5CY/LF-berm
(9)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, multi shank rippers, speed 1.0 mph
(9)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, mtl 2550 lb/CY, 50 ft push, 1 ft depth
(11)	Contractor's actual costs, 1991 at E/053/012 escalated to 2005-\$, Cat 225 Excavator, 20 ft wide road
(10)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, mtl 2550 lb/CY, 50 ft push, used avg vol 0.5CY/LF-berm
(12)	Means 2005 & Blue Book 2nd quarter 2004: Cat D8R, U, mtl 2550 lb/CY, 100 ft push
(13)	Means 2005 & Blue Book 2nd quarter 2004: Cat 627G P-P, mtl 2550 lb/CY, 2,000 ft haul one-way, grade +/- 4%, Means 2005 02320-200-2030: earthwork, hauling excavated or borrow material, off highway hauler, 22 CY, 1 mile round trip, no loading included
(14)	
(00)	DOGM general estimate - mulching
(00)	DOGM general estimate - fertilizing
(00)	DOGM general estimate - manure \$19/ton delivered, \$16 ton/acre spreading
(00)	DOGM general estimate - broadcast seeding
(00)	DOGM general estimate - drill seeding
(00)	DOGM general estimate - hydroseeding
(00)	DOGM general estimate - site cleanup & trash removal
(00)	DOGM general estimate - equipment mobilization
(15)	

RECLAMATION SURETY ESTIMATE					
Diamond K Gypsum		last revision		04/04/00	
DKG Quarry		filename M015-041.xls			
DOGM file Number M/015/041		Emery County			
Prepared by Utah State Division of Oil, Gas & Mining					
Note: actual unit costs may vary according to site conditions					
last unit cost update				03/01/05	
-Amount of disturbed area which will receive reclamation treatments =				23.78 acres	
-Estimated total disturbed area for this mine =				23.78 acres	
Activity	Quantity	Units	\$/unit	\$	Note
Safety gates, signs, etc (mtls & installation)	1	Sum	250	250	(1)
Ripping stockpile & compacted areas	2.9 acres		286	829	(2)
Regrading of portions of quarry	2.9 acres		710	2059	(3)
Ripping 1/2 main access road	0.96 acres		286	275	(5)
Regrading all main access road - dozer	1.91 acres		710	1356	(6)
					(7)
Surface drainage restoration	500 lf		0.25	125	
Culvert removal & drainage restoration - trackhoe	1 sum		1000	1000	(8)
					(9)
Topsoil replacement - dozer - 1ft depth - 2.90 acres	4678 CY		0.68	3181	(9)
Drill seeding	2.9 acre		280	812	
General site cleanup & trash removal	2 acre		75	150	
Revegetation Success					
Ripping prior to seeding	16.94 acre		286	4845	(9)
Drill seeding	16.94 acre		280	4743	(11)
					(10)
Equipment mobilization	2 equip		2000	4000	(00)
Subtotal				3186	(15)
Reclamation supervision -10% of reclamation estimate					
	Subtotal			26811	
10% Contingency				2681	
	Subtotal			29492	
Escalate for 5 years at 4.44% per year				7155	
	Total			36647	
Rounded surety amount in year 2010 \$				36600	
Average cost per disturbed acre =				1541	